Daily Report

Latin America

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OAS Permanent Council Prepares for 21st Session

Douglas Becomes Chairman

FL1204140091 Bridgetown CANA in English 1122 GMT 12 Apr 91

[Text] Washington, April 12, CANA—Barbadian diplomat Sir William Douglas on Thursday assumed chairmanship of the Permanent Council of the Organisation of American States (OAS), anticipating a period of renewal in the organisation.

"....This assembly should see the relaunching of the Organisation of American States...Even at this (preparatory) point, the agenda includes topics of particular significance relating to trade liberalisation, integration, and the environment, among others," Douglas told the council.

Douglas, succeeding Bahamamian Margaret McDonald as chairman, said the current 21st session is set to build on important work of the past, as well as deal with new issues and areas of action.

"Particularly significant is the potential for an expanded role for the organisation in the vital economic issues occupying the attention of our countries....." he said. "Our countries have turned increasingly to multilateral and cooperative action and to integration, through which we may better tackle our problems."

Douglas cited the U.S. Enterprise of the Americas Initiative—an aid and investment programme—as an impetus to integration efforts already underway, and a major initiative demanding the council's serious attention.

He also referred to a continued instrumental role by the OAS, at the request of member states, in monitoring elections and "supporting the democratic process and consolidation of peace and stability in the hemisphere."

Report on EAI Approved

FL1504185591 Bridgetown CANA in English 1724 GMT 14 Apr 91

[Text] Washington, April 14, CANA—The Permanent Council of the Organisation of American States (OAS) has given its approval to a report on U.S. President George Bush's Enterprise for the Americas Initiative (EAI). The report was forwarded to the OAS General Assembly for discussion at the forthcoming 21st regular session scheduled for Santiago, Chile, from June 3-7. The report was prepared and submitted by a special group of the OAS, chaired by Argentine Ambassador Juan Pablo Lohle.

"There is agreement among the member states that the Enterprise for the Americas Initiative is potentially a proposal of major import for Latin America and the Caribbean," Ambassador Lohle told the OAS Council in submitting the document. He pointed out that "the extremely important nature of the topic and its intrinsic bearing upon the comprehensive development of the countries of the region are deserving of follow-up by the OAS, a natural forum for the discussion of hemispheric issues."

The special group chaired by the Argentine diplomat was established on August 1, 1990, after ambassador Luigi R. Einaudi, permanent representative of the United States to the OAS, outlined the main aspects of the Enterprise for the Americas Initiative which seeks the establishment of a Western hemisphere-wide free trade zone.

OAS Head Urges Cooperation

FL1504193091 Bridgetown CANA in English 2031 GMT 14 Apr 91

[Text] Washington, April 14, CANA—Secretary-general of the Organisation of American States (OAS), Joao Clemente Baena Soares, on Sunday urged member states to make "utmost use" of the Organisation for intensifying regional cooperation and reinforcing solidarity. In a message to mark Pan American Day, Baena Soares said the OAS was in a position to help Western hemisphere countries respond to fundamental changes taking place at the wider global level.

"The challenge of the day is to respond to the extraordinary transformations we see on the global horizon," he said. "Only to the extent that we, at our regional level, are able to respond to this new and fascinating picture of the world can we hope to see a brighter future for our people."

"At this time, then, cooperation must be intensified, solidarity must be reinforced, and mutual respect for each of our positions must be strengthened," he added.

Citing current OAS activities ranging from the promotion of democracy to programmes aimed at combatting poverty and protecting the environment, the top OAS official said the Organisation could no longer be viewed as "irrelevant."

"From a small office dealing with trade matters a century ago, we have been transformed into an institution committed to promoting and maintaining peace, to fostering and safeguarding democracy, to seeking social justice, and to attaining economic and social well-being," he said. The OAS grew out of the International Union of American Republics, established over a century ago. It has a membership of 35 countries.

Paraguay's Rodriguez To Attend Presidents' Meeting

PY1504143491 Asuncion ABC COLOR in Spanish 14 Apr 91 p 1

[Text] President Andres Rodriguez will participate in the summit meeting of Iberoamerican presidents that will be held on 18 and 19 July 1991 in the Mexican city of Guadalajara, where the political aspects of economic integration will be coordinated. Twenty one Latin American presidents, including Cuba's Fidel Castro, Spanish Prime Minister Felipe Gonzalez, and Portuguese Prime Minister Anibal Cavaco Silva, will participate in the meeting.

Cuba

Soviet Foreign Ministry Official Pays Brief Visit

Notes Bilateral Relations

FL1604010291 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 16 Apr 91

[Text] During a news conference granted in Havana today, Valeriy Nikolayenko, chief of the Latin American Affairs Department of the Soviet Foreign Ministry, expressed his opposition to the economic blockade and threats being made against Cuba. The Soviet diplomat asserted that this policy is not in line with current world trends.

Nikolayenko referred to Cuban-Soviet relations during a short stopover on his way to Moscow from Costa Rica, where he headed his country's delegation to the round of political consultations on Central America and the Caribbean.

[Begin Nikolayenko recording] We have reviewed our bilateral relations with Cuba and found complete agreement in the points of view regarding the good future of our relations. We are overcoming some difficulties with the supplies of some goods and problems with transportation, etc. caused by the domestic economic situation in our countries. Of course, we believe that those relations need to be established on a more efficient basis. You know that our trade has gone to a market-price basis. The calculations are made in dollars. Payments are not made in actual dollars, but the dollar is used as a basis of calculation. We are slowly entering that stage without hindering the welfare of our peoples, without jeopardizing one country or the other. In this regard, we are also optimistic. [end recording]

According to the Soviet Foreign Ministry official, in spite of the difficulties in achieving socio-political stability in Central America, he sees with optimism the possibility of reaching peace in the region.

Views Military Presence

PA1604051191 Madrid EFE in Spanish 0347 GMT 16 Apr 91

[Text] Havana, 15 Apr (EFE)—The USSR will maintain its military presence in Cuba until "the reasons that make it necessary disappear," a Soviet official stated in Havana today, urging the United States to put an end "to the last traces of the cold war."

At a news conference, Valeriy Nikolayenko, chief of the Latin American Affairs Department of the Soviet Foreign Ministry, stressed that "such presence and cooperation are not aimed against anybody. This cooperation is of a defensive nature and is aimed at maintaining Cuban security."

Nikolayenko conceded that the USSR has explained to the United States its stand regarding the Soviet presence on the island. He added that this explanation has been made in contacts with U.S. Government representatives and maintained that "the moment (for the withdrawal) has not come yet; however, the necessary conditions must be created."

The Soviet representative, who concluded a brief visit to the island today, criticized the hostile treatment that the United States is giving Cuba and urged the United States to apply "cooperation instead of confrontation," a cooperation we want to use to "create a new international order."

Asked about Cuba's strategic value for the USSR, the Soviet official said that in the new international stage, "I would say that everyone is our ally."

He added that his government is closely following every detail of the relations between Cuba and the United States and "expressed hope for their improvement." [closing quotes as received]

"It is a continuous process that cannot be solved at once," he noted, adding that although there is "a certain move" to solve these matters, "there are also certain difficulties." With regard to this he said: "We must work, we must not get discouraged because of certain setbakes that may be found along the road. The line is straight and, sooner or later, we are going to succeed; it is better sooner than later."

Regarding Soviet supplies to Cuba, Nikolayenko said that certain "stumbling blocks" are being overcome and that the implementation of trade based on a market economy can occur gradually without putting either country in a tight spot.

The top Foreign Ministry official also praised the "advances" made in Central America and spoke in favor of attaining a lasting peace in El Salvador.

The Soviet diplomat met in Havana with Carlos Aldana, secretary of the Communist Party of Cuba, and Ramon Sanchez Parodi, vice foreign minister. Prior to his departure, he was scheduled to meet with Raul Castro, minister of the Revolutionary Armed Forces.

Nikolayenko arrived in Cuba following a tour of Mexico, Nicaragua, and Costa Rica, where he participated in a round of political consultations by Central American foreign ministries. He also held talks with Bernard Aronson, U.S. assistant secretary of state for Inter-American affairs.

Jaime Crombet Comments on Fuel Supply Picture

FL1504185691 Havana Radio Progreso Network in Spanish 1625 GMT 15 Apr 91

[Text] Jaime Crombet, vice president of the Council of Ministers, has made important statements to Radio Progreso on the fuel situation in the country.

[Begin Crombet recording] Our fuel supply program, even with some difficulties, is being fulfilled. The supply from the Soviets has the best track record. We have had

more problems with supplies from some other places. We feel optimistic in relation to this key resource even though we have to remain prepared for the most extreme possibilities, including the possibility that no fuel will reach Cuba from the Soviet Union.

We have to be ready. We have to know what to do in all eventualities. We must have a program of options for all national levels to know which alternatives to put in effect. I do not believe that we will ever see a collapse if some supply level drops to zero, but we will continue to adapt the measures to the supply available. We will not worry either if it reaches the most difficult level.

We have resources and we will produce resources to obtain our own energy. Besides, even though our oil is heavy and contains some sulphur, it is ours. Every day new possibilities appear. Today, Luis Alvarez gave us some good news: The prospect for new fuel deposits in Matanzas seems to be good.

Alternatives will appear. The important thing is that the people must be prepared for the worst-case scenario, and that way nothing will surprise or scare us. Even if we have to live without electricity for some years, the important thing is that all of us must be prepared to face any situation of that nature and we must not stop our development. [end recording]

Haiti

U.S. Ambassador, Administration Criticized

FL1504233591 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 15 Apr 91

[From the weekly press review]

[Excerpt] What do the magazines say this week? The arrest of former Haitian President Mrs. Ertha Pascal-Trouillot and the reaction of the U.S. ambassador in Port-au-Prince on that matter held the attention of the magazines this week. According to HAITI EN MARCHE, which carries the headline "Loaded Donkey [the U.S. ambassador], Opposition Head," the former president's statements on the day of the abortive coup [7 January] are not quite clear and a simple analysis can show that.

The magazine states that if Roger Lafontant forced her to sit before the television cameras to read her resignation letter, it did not prevent her from refusing to read the following sentence: For the good of the nation which all of us love, I am obliged to hand over power. Such a sentence morally commits the former president and makes her as guilty as the putschists.

HAITI EN MARCHE adds that the arrest of Mrs. Trouillot gave rise to many comments within several occidental embassies in the Haitian capital but only the U.S. Embassy publicly expressed itself. On that score, the magazine points out two blunders that the U.S. diplomatic mission head made. The first blunder is that the ambassador forgot the method by which a foreign official can lodge complaints or make a suggestion to the government. The magazine refers to the Ministry of Foreign Affairs.

Concerning the second blunder, the magazine says that the ambassador thinks that whatever role Mrs. Trouillot allegedly played and however great the number of millions of dollars her government misused, once she organized elections there was no problem.

The magazine says in the same article that Washington cannot be keeping an eye on the government to catch it blatantly breaking the law on the one hand, and amusing itself by getting hold of it by putting a spoke in its wheel to prevent it from implementing the first principle of democracy on the other hand.

HAITI EN MARCHE, a magazine close to the avalanche trend, asks why the U.S. Government wants to keep quiet about the charges the justice has and proceeded with against former Haitian Provisional President Mrs. Ertha Pascal-Trouillot. It wonders whether the Bush administration does not have something that it wants to hide behind in that matter. [passage omitted]

Police Repress Demonstrators; 1 Dead, 1 Wounded

PA1604050191 Madrid EFE in Spanish 0240 GMT 16 Apr 91

[Text] Port-au-Prince, 15 Apr (EFE)—One man died and another was wounded today by bullets fired by policemen who were repressing the looting that accompanied today's demonstrations in Cap Haitien (more than 250 km from Port-au-Prince) to protest price hikes, according to local radio reports.

The incidents took place when hundreds of demonstrators began looting and destroying several businesses and the Imperial Hotel, from which food and supplies disappeared. The demonstrators, who were violently repressed by the police, were protesting a big hike in the price of rice and other food items. They blame businessmen and storeowners for the price increases.

Correction to Government Seeks Emergency Loan

FL1504213091

The following correction pertains to the item headlined "Government Seeks Emergency Loan From Local Sector," published in the 15 April Latin America DAILY REPORT, page 6:

Column one, make sourceline read: Port-au-Prince Radio Metropole in French 1500 GMT 12 Apr 91. (correcting date)

Costa Rica

Ruling Party Severs Ties to U.S. Financier

PA1504151691 Panama City ACAN in Spanish 2110 GMT 12 Apr 91

[Text] San Jose, 12 Apr (ACAN-EFE)—Costa Rican President Rafael Angel Calderon today said his party has cut off all ties with Lloyd Rubin, a U.S. citizen who contributed to his political campaign and who is now under investigation in the United States for fraud.

"We have cut off all relationship with that person," Calderon told ACAN-EFE. He also confirmed that Rubin contributed to his campaign for the presidential nomination of the Social Christian Unity Party (PUSC) by purchasing $100,000 worth of bonds.

The president added that his government has not asked for additional information from U.S. authorities, but he did not rule out that this might be done after the topic is discussed in an upcoming cabinet meeting.

The U.S. WALL STREET JOURNAL recently reported that the U.S. Embassy in Panama received 24 complaints of cases of alleged fraud committed by Rubin against U.S. citizens. According to the newspaper, Rubin had close ties with ousted Panamanian General Manuel Antonio Noriega.

The U.S. financier, who has faced prosecution for fraud in the United States and who is being investigated by the FBI for similar crimes, was one of the "courtesy guests" at Calderon's inauguration on 8 May 1990.

Calderon clarified that Rubin did not make donations to his presidential campaign; instead, he purchased bonds, "in a financial operation like any other, with a respective interest rate; and he then recovered his money."

Calderon indicated that it was Julio Harris, current Panamanian minister of the Presidency, who established contact between "our people and Rubin's finance company, and we never imagined that the company would be charged with fraud."

"We have been clear about this," Calderon said, explaining the difference between contributions, "which we only receive from Costa Rican citizens" and investments. He added that "we always want campaign funds to be clean."

Calderon said the Rubin case and other similar cases which have affected other Costa Rican parties "should make us think about the laws dealing with the funding of parties."

Legislators of the opposition Social Democratic National Liberation Party (PLN) today asked that this case be heard by a special legislative commission that is investigating actions related to drug trafficking in Costa Rica.

El Salvador

FMLN Issues Communique on Jesus Rojas' Murder

PA1504220091 San Salvador Radio Cadena YSU in Spanish 1345 GMT 15 Apr 91

[Communique issued by the Farabundo Marti National Liberation Front in El Salvador on 14 April]

[Text] Regarding the murder of Antonio Cardenal [aka Commander Jesus Rojas], the Farabundo Marti National Liberation Front [FMLN] General Command hereby announces the following:

1. Antonio Cardenal was murdered on Friday, 12 April in a premeditated manner for obvious political reasons.

2. All of his murdered companions were finished off with shots to the head fired at close range.

3. A few days prior to the murder of Antonio Cardenal, two U.S. advisers showed up in the area of Arcatao.

4. A commando group was infiltrated into the area under FMLN control with precise instructions to murder Antonio. This infiltration was planned and directed by the High Command of the Salvadoran Armed Forces.

5. Antonio was a member of the FMLN negotiating commission and spokesman for the political-diplomatic commission inside the country. On Wednesday, 10 April, in Arcatao he held a news conference in which he emphasized the need and the specific possibility that the armed conflict would soon come to an end through negotiations. The High Command took advantage of that peaceful news conference to commit the murder. A few days earlier, Antonio had met in Arcatao with a UN delegation which was visiting several areas controlled by the FMLN on a fact-finding mission in accordance with the human rights agreement that was discussed in the negotiations.

6. It is evident that when the Armed Forces High Command decided to murder Antonio Cardenal, it tried to provoke a break in the negotiations and clearly establish that it will make use of all its criminal organizations to prevent the FMLN from presenting its stand before the entire nation and actively participating in the political life of the country. The murder of Antonio Cardenal also constituted a desperate attempt by the Armed Forces to use criminal methods to end the FMLN's control of certain areas which the Armed Forces have not been able to recover in 11 years of military confrontation.

7. Based on all of the above, the FMLN General Command clearly establishes that:

a) We will respond militarily to this treacherous murder and to all the Armed Forces' attempts to recover the territories under FMLN control.

b) We will assume that with this murder, the government is acknowledging the rebel operations carried out against the commands in its own rear guard areas.

c) In spite of this provocation, we will uphold our responsible attitude in the negotiations until we have achieved justice and peace for all our people.

[signed] The FMLN General Command: Salvador Sanchez Ceren, Eduardo Sancho, Joaquin Villalobos, Francisco Jovel, Jorge Shafik Handal.
El Salvador, 14 April 1991.

Radio Venceremos Details Ambush

PA1504180991 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 15 Apr 91

[Text] Today, the Salvadoran people respectfully bow their heads to pay tribute to 13 companeros who died in Chalatenango Department as a result of a cowardly ambush planned by the Armed Forces High Command in its attempt to hinder the peace negotiations. We report to all our people the heroic death of Commander Jesus Rojas and 12 other companeros in Chalatenango. Radio Venceremos, official mouthpiece of the FMLN [Farabundo Marti National Liberation Front] will pay tribute to those 13 heroes of Chalatenango. We will establish contact with our brothers of Radio Farabundo Marti to receive a bulletin reporting to all our people the details of this ambush, which, we repeat, was planned in cold blood by the assassin Armed Forces High Command in its attempts to hinder the nation's efforts to achieve a prompt negotiated political solution to the conflict.

Radio Venceremos, we repeat, dedicates this broadcast to the memory of Commander Jesus Rojas, Commander Antonio Cardenal, and the 12 companeros who died in that ambush.

We will now establish contact with Chalatenango to receive a detailed report. Go ahead Chalatenango:

[Unidentified speaker] Press bulletin of the Modesto Ramirez Central Front of the FMLN.

We report to all our people, activists, and cadres of the FMLN and combatants and officers of the National Army for Democracy:

1. Companero Commander Jesus Rojas, 13 [as heard] companeros who were members of the political, medical, and communications support personnel, and one civilian driving the vehicle in which they were traveling, died at 0645 on 11 April. Commander Jesus Rojas, whose real name was Antonio Cardenal, was a member of the FMLN's Political-Diplomatic Commission and had participated in the FMLN's negotiating commission in previous meetings with the government.

2. Commander Jesus Rojas died as a result of an ambush on the road from Arcatao to Chalatenango, near Zapote, in the jurisdiction of Nueva Trinidad. This ambush was a special operation of the Armed Forces High Command, carried out by commando units of the Atlacatl Battalion at the command of Lieutenant Colonel Jose Eduardo Angel Orellana for the purpose of hindering the negotiations which are being held in Mexico.

3. The ambush was staged with the use of many Claymore mines, grenades, and rifle fire. After our companeros were wounded, they were murdered in cold blood with shots to the heads by the members of the Atlacatl Battalion, the same battalion that killed the Jesuit priests. Five of our companeros were able to withdraw unharmed from the ambush.

4. We hold the Armed Forces High Command directly responsible for having planned and ordered this operation, carried out by troops of the Atlacatl Battalion at the command of Lt. Col. Orellana.

5. It must be noted that the week prior to this operation, when the Atlacatl Battalion was in Arcatao, two U.S. advisers armed with M-16 rifles arrived in that town and in the combat zone. Therefore, they may have been involved in the planning of the criminal attack against Commander Jesus Rojas and his personnel.

6. We call on all our people to await a communique from the FMLN General Command, and we call on all combatants to carry out and intensify our revolutionary action to lead the country to a real situation of democracy and social justice without militarism, the just cause for which Commander Rojas and the other companeros gave up their lives.

Chalatenango, El Salvador, 13 April 1991.

[Announcer] In this way we established contact with the companeros in Chalatenango, who have given us a report on this cowardly and vile special operation planned by the antidemocratic Armed Forces High Command.

Government Denies Possession of Chemical Weapons

PA1304033291 San Salvador EL MUNDO in Spanish 3 Apr 91 p 3

[Text] The Armed Forces of El Salvador have no chemical weapons, states a government communique issued on 2 April to clarify a report published abroad.

The communique adds that, given the upcoming meeting of the Esquipulas Agreements' Security Commission, and given the report that appeared in foreign media stating that El Salvador is one of the Central American countries that probably have chemical weapons, the government reports the following:

"1. The Salvadoran Armed Forces have no chemical weapons in their arsenal.

"2. The ban on the use of chemical and biological weapons is included in the provisions of international

human rights and international laws, which are reason enough for not contemplating the purchase of that type of weapon at any time.

"3. Likewise, El Salvador respects its international pledges and, as a signatory of the 1925 protocol concerning the ban on the use of asphyxiating, toxic, and other such gases and bacteriological means—currently regulated by the Agreement on the Prohibition of the Development, Production, and Storage of Bacteriological (Biological) and Toxic Weapons and Their Destruction, which was signed in 1972, it has adopted no measure which violates that protocol.

"4. Given the aforementioned report's lack of grounds, the Government of El Salvador reasserts its willingness and pledge to continue to work toward peace and stability in Central America, particularly within the framework of the Esquipulas Agreements and the security commission they established."

Guatemala

Government, Rebels Discuss Agenda in Mexico

PA1504200291 Mexico City NOTIMEX in Spanish 1929 GMT 15 Apr 91

[Text] Mexico City, 15 Apr (NOTIMEX)—The Guatemalan Government and guerrillas will begin a round of talks in Mexico City today to prepare the agenda for forthcoming meetings, sources close to the Guatemalan Embassy have reported.

Today's meeting will only last a day and it is expected that the formal negotiations will begin on 20 April.

The Guatemalan National Revolutionary Unity (URNG) is expected to present a negotiation proposal to the National Reconciliation Commission today that will permit the drawing up of the agenda and the reaching of an agreement on the procedures for the negotiations.

Three of the four URNG commanders, Monsignor Rodolfo Quezada Toruno, a member of the National Reconciliation Commission, and UN official Francesc Vendrell will participate in today's meeting.

Serrano Accepts Rebel Proposal

PA1604034391 Mexico City NOTIMEX in Spanish 0233 GMT 16 Apr 91

[Text] Guatemala City, 15 Apr (NOTIMEX)—Guatemalan President Jorge Serrano announced tonight that he has accepted a proposal submitted by the guerrillas to initiate direct peace talks between 22 and 25 April.

After installing the Constitutional Court of the Nation in office, Serrano told NOTIMEX that mediator Rodolfo Quezada Coruno had contacted him from Mexico City to inform him of the course of the talks and to solicit his opinion on certain points.

Quezada Coruno, president of the National Reconciliation Commission (CNR), is meeting in Mexico City with two of the four members of the General Command of the Guatemalan National Revolutionary Unity (URNG) to discuss the terms of a direct government-guerrilla dialogue. Serrano reported that he expects to receive the results of the mediator's talks with the URNG sometime tonight, and he will immediately announce those results to the Guatemalan people.

The mediator received the guerrilla proposal to begin direct peace negotiations at the meeting in Mexico. He talked about some of the points over the telephone with the Guatemalan president this afternoon.

A personal representative of UN Secretary General Javier Perez de Cuellar is also participating in the meeting, during which Quezada, who is also bishop of Zacapa, also presented President Serrano's peace proposal to the URNG.

One of the most controversial points on the agenda is the demilitarization that the URNG is demanding. President Serrano said that if the rebels are referring to the counterinsurgency organizations, that would be negotiable, but not the disappearance of the Army.

Another problem, which seems to have been resolved, concerns the release of reports on the negotiating process. Serrano has asked that they be private, which does not mean secret, as his proposal has been interpreted.

Nicaragua

Sandinist Army Communique on Arms Trafficking

PA1604004191 Managua LA PRENSA in Spanish 13 Apr 91 p 2

["Communique" issued by the Sandinist People's Army in Managua on 12 April]

[Text] The Sandinist People's Army [EPS] General Command reports the following:

Concerning the illegal arms trafficking case in which EPS Lieutenant Ulises Aguirre Acuna was directly involved and Captain Francisco Javier Benavides Castillo and First Lieutenant Carlos Gomez Espinosa, members of the Border Department of the DID [expansion unknown], were mentioned, the EPS General Command reports:

1. There is evidence that Lt. Ulises Aguirre Acuna was part of an organized network dedicated to running guns into El Salvador.

2. Ulises Aguirre Acuna has stated that people he knows only as Federico, Emilio, Roberto, Nelson or Tony, Felipe Gonz, zz, and, or, Arnulfo Aroca comprise part of that network.

3. The investigation has established that Emilio and Federico are names used by a Costa Rican citizen

identified as Alexander Cruz Leyton, passport No. D-255877, who in December 1990 left for Costa Rica accompanied by his wife. An investigation is under way to determine if the man identified as Roberto is Roberto Martinez Flores, from El Salvador, born 5 June 1960, passport No. 0684295. Nelson and Toni are names used by Honduran citizens studying English at the National University of Honduras. Arnulfo Aroca and Felipe Gonzalez are names used by an individual who lives in Honduran territory who was recruited by Ulises Aguirre Acuna for gun running and for facilitating the illegal exit and reentry of people from and to El Salvador through Honduras.

4. It has been established that the network used telephone No. 25777 and House A-7 in Managua's San Antonio neighborhood as the main connection site.

5. It has been determined that house A-7 belongs to Carla Rodriguez, a Nicaraguan citizen who rented it to Alexander Cruz Leyton, and that telephone No. 25777 is installed in Rodriguez' residence in Managua's Loma Verde neighborhood.

6. With regard to Captain Francisco Javier Benavides, chief of the Ocotal Border Department, and Lt. Carlos Gomez Espinoza, also from the Ocotal Border Department, they are under arrest and at the disposal of a military court to determine if they are involved in the case being investigated.

7. The military court continues to carry out investigations within the framework of the law.

Managua, 12 April 1991
Directorate of Foreign and Public Relations

U.S. Citizens Said Involved in Bermudez' Murder

PA1604020691 Panama City ACAN in Spanish 0052 GMT 16 Apr 91

[Text] Managua, 15 Apr (ACAN-EFE)—Two unidentified U.S. citizens allegedly participated in the murder of Enrique Bermudez, military commander of the former Nicaraguan "contras," official sources reported today.

The same sources, without giving any details about the case, added that on 16 April the Government Ministry will release a note to the press concerning suspicions about the two U.S. citizens.

Nicaraguan authorities have been suspicions about the two U.S. citizens because they "suddenly" left Nicaragua the day after the crime.

Bermudez was assassinated with a shot to the head on the evening of 16 February as he was about to get into his vehicle after leaving the Intercontinental Hotel in Managua.

On 11 April, Government Minister Carlos Hurtado stated that he would ask the FBI to investigate the two foreigners, whom he did not identify, and who had departed for the United States the day after the crime.

Government, Bank Employees Agree To End Strike

PA1404230591 Hamburg DPA in Spanish 1729 GMT 14 Apr 91

[Text] Managua, 14 Apr (DPA)—A strike by more than 9,000 bank workers was ended today by an agreement on salaries and other social benefits between labor leaders and directors of the state-owned banks. The agreement was concluded after more than 20 days of negotiations and conflicts, including a violent eviction of striking workers by the police.

According to reports by the Bank Workers Federation labor leaders, the agreement provides for an increase in the workers' real income as measured by the price of staple foods, extension of personal loans, training of bank personnel, and guarantees of job security.

Central Bank Director Raul Lacayo presided over the government's negotiating team; the banking federation workers team was led by Lino Areas.

The strike, which lasted more than 20 days, had significantly reduced banking activity in Nicaragua and would have endangered the agricultural financing program had the conflict continued.

The terms of the agreement suggest that the government did not accept the bank employees' demand to raise fixed salaries, but agreed to grant other benefits.

In March, the government devalued the currency by 400 percent and readjusted service sector salaries by 260 percent. The move resulted in a wave of protests on the part of teachers and university students who demanded an increase in the university budget. Their demand was partially met several days ago.

The National Association of Nicaraguan Teachers' (Anden) demands for salary adjustments resulted in a number of meetings and partial strikes in several Managua education centers within the past days.

The National Workers Federation (FNT)—which signed an agreement to extend the review of the workers' lowest salaries by 10 weeks—announced that it will meet with its rank and file to discuss the effects of the economic adjustment plan. The government, on the other hand, claims that this is offset by the decrease in the price of staple products.

Protesting Teachers Plan March on Presidency

PA1204144691 Managua Radio Sandino in Spanish 1244 GMT 12 Apr 91

[Text] Managua's teachers will march from the Anden [National Association of Nicaraguan Teachers] offices to the Presidential Palace today to demand an official statement on their salary demands. Anden Secretary General Mario Quintana has charged that for the last two days Education Minister Humberto Belli has refused to meet with the teachers' leaders.

[Begin Quintana recording] In the first place, we are demanding that the Education Ministry make an official announcement on the teachers' salaries. Teachers are confused because we do not know the official status on our salaries.

Our first demand is that the education minister officially report on the amount allotted in the budget for salaries in February, what percentages were applied, and what are the salaries that will be paid to all teachers. In addition, the teachers are very displeased because it has been learned that the so-called salary readjustment was sheer mockery in some cases, as some of our fellow workers said.

An assembly held today was not attended by the education minister. In addition, some authorities took over the ministry's offices, violating the agreements reached by the National Workers Front and the central government. These authorities locked themselves inside the offices and have not received the public and a delegation of this assembly.

We then decided that tomorrow we will have a general mobilization with those fellow workers who attended the assembly, and we will march to the Presidency of the Republic. If there are no authorities at the Education Ministry to look after the problems of the teachers, then we will seek another means of announcing our problems, discussing those problems, and trying to find solutions. [end recording]

Agreement on Security Issues Signed With Spain

PA1604014091 Managua Domestic Service in Spanish 1815 GMT 12 Apr 91

["Text" of declaration on "technical assistance" to be given by the Spanish Interior Ministry to the Government Ministry, signed in Managua on 11 April; read by Government Ministry Spokesman Frank Cesar—recorded]

[Text] Joint Spanish-Nicaraguan Declaration:

Nicaraguan Government Minister Carlos Hurtado Cabrera and Spanish Secretary of State for Security Rafael Vera Fernandez met today in Managua, Nicaragua, to continue working toward defining and implementing actions within the framework of the mutual cooperation agreement signed in Madrid on 22 June 1990 as part of the protocol of cooperation signed between the Spanish interior minister and the Nicaraguan government minister to implement joint efforts to prevent and fight crime.

Both ministers and their respective delegations discussed topics related to the struggle against common crime and drug trafficking, as well as other issues of general interest. They basically discussed methods and specific forms of cooperation between the two countries, as well as legislative and operational experiences in Spain and Nicaragua that have been implemented as state policy to face problems related to crime.

Nicaraguan Government Minister Hurtado delivered a document summarizing the requirements for the cooperation plan prepared by the Nicaraguan Government Ministry for 1991; this document is annexed to this declaration.

They also agreed on formal methods to evaluate and follow up on the progress of their mutual cooperation in areas such as the informational exchange of experiences in their respective police forces, the training and organization of personnel, and the use of technology and other resources to support police work.

Managua, 11 April 1991
[signed] Carlos Hurtado Cabrera, Nicaraguan government minister
Rafael Vera Fernandez, Spanish secretary of state for security

Miami Consul Adolfo Chamorro Submits Resignation

PA1504152891 Managua BARRICADA in Spanish 13 Apr 91 p 12

[Text] An official note issued by the Foreign Ministry on 12 April reports that Adolfo (Popo) Chamorro, Nicaraguan consul in Miami, has resigned effective 25 April.

Among the reasons for Chamorro's resignation, the note indicates that he wants to devote time to his private businesses in Nicaragua. Nevertheless, unofficial sources said the consul was recalled by the top officials of the Foreign Ministry. This version was denied by Deputy Foreign Minister Ernesto Leal.

Leal also denied that Chamorro's resignation is linked to charges in the mid-1980's that he was involved in narcotics and arms trafficking when he was a member of the counterrevolutionary ranks.

Panama

CDI Chairman Issues Statement on PDC Support

PA1204152591 Panama City LA ESTRELLA DE PANAMA in Spanish 11 Apr 91 pp 32, B14

[Text] The decision made by Panamanian President Guillermo Endara, resulting in the exclusion of the Christian Democratic Party [PDC] from national and municipal government, is the product of tension fed by government sectors through completely false accusations against the PDC, a member of the CDI [Christian Democrat International]. The foremost accusation leveled against the Christian Democrats is an alleged "coupist" conspiracy.

At all times, prior to and after the U.S. military intervention, the PDC displayed a desire to cooperate with

the other forces in the ADOC [Civic Democratic Opposition Alliance] for the country's democratic reconstruction. Thus, PDC President Ricardo Arias Calderon conceded the presidential candidacy to Guillermo Endara for the May 1989 elections, the results of which clearly proved that the PDC was the country's leading political force. The Christian Democratic vote in the recent partial legislative elections widely confirmed this fact.

Since December 1989, a phase of democratic transition, the Christian Democratic ministers, legislators, and mayors have contributed to the Panamanian Government's very difficult task of institutional reconstruction and social justice.

First Vice President Ricardo Arias Calderon himself assumed the delicate responsibility of directing the Government and Justice Ministry, and was in charge of the Defense Force's conversion.

Now in the opposition, with a powerful group of legislators and growing social influence, the PDC will continue to play a key role with a view to the installation of a fully democratic and participatory regime. It will promote a broader participation, on the Panamanian people's part, in the process of integrating Central America.

To conclude, the PDC will guarantee full respect for Panama's sovereignty through the implementation of all of the clauses of the Torrijos-Carter Treaties.

Andre Louis, Secretary General
Christian Democrat International

Public Employees View New Government's Prospects

PA1604005891 Panama City LA ESTRELLA DE PANAMA in Spanish 11 Apr 91 pp 1, A16

["Text" of communique issued by the National Federation of Associations of Public Employees in Panama City on 10 April]

[Text] The political situation after the 20 December 1989 invasion has taken a new turn with the changes in President Endara's government following the rupture of the alliance and the expulsion of one of the member-parties.

There have been cabinet changes that have apparently solved the political crisis within the executive branch. However, we must note that although these changes may either worsen or eliminate the discrepancies within the executive branch, the truth is that the grave crisis the Panamanian nation is facing cannot be resolved by simply introducing new faces into a government that so far has clearly shown its inability to resolve the enormous and difficult problems afflicting the Panamanian people.

Things cannot be reduced to the settlement of inter-partisan conflicts, while the government's stubborness keeps the nation dependent on the directives of international financial institutions. Those organizations place the foreign debt burden on the shoulders of the Panamanian workers, as stated in the latest document—which is already circulating—presented to the government by the World Bank in mid-March.

It is also odd that after the recent developments, those who only yesterday were unfairly firing government employees, denying them any possibility of defense, violating the existing legal procedures, and creating repressive laws to fire those who disagreed with the antipopular and antinational policy of a government that they supported and implemented, now pretend to be leaders of the people's struggles. They claim that poor people will have a voice now. No, gentlemen! We have always had a voice, have always made our voice heard, and will continue to have it heard.

We believe that there is no interest or political willingness on the part of those who are responsible for radically modifying the economic policy that keeps us in a state of distress and uncertainty. We continue to pay the foreign debt as our main public expense. We continue to irrationally follow the privatization plan and the reduction of the government's payroll (18,912 is the new quota of sacrifice demanded by the World Bank). All those who were unjustly or illegally dismissed should be reinstated. Repressive laws must be eliminated. Social security benefits should not be threatened. To sum up, we should not continue to be subject to World Bank and IMF policies. Instead, we should draft a national development plan that will bring us progress as well as social and economic welfare in a truly democratic and sovereign country. Otherwise, ministers will come and go, but the crisis and differences among Panamanians will keep getting worse.

Therefore, the National Federation of Associations of Public Employees demands that the government respect public employees. From this moment on, we announce that we will not accept any dismissals that take advantage of the inter-partisan crisis to remove those who were favored with government positions since 20 December 1989. We will defend the right to work of those who denied us that right, just as we demanded their reinstatement in 1987-1988 when they were fired for participating in Civic Crusade activities.

Fellow public employees: This juncture proves that our stability and professional integrity will never be guaranteed by the ruling party or parties, but by our militant unity around our associations and our federation.

Therefore, we call on all our organizations to close ranks; to strengthen the federation through each one of our associations; to prepare for and wage the great battle against the dismissal of 18,912 employees, as demanded by the World Bank; to struggle for the reinstatement of those who have been fired; and to struggle against the World Bank's adjustment plan. We also urge all grassroots organizations to redouble their efforts and coordinate actions aimed at finally deterring all government

plans to impose an antinational and antipopular economic policy that will only bring hunger, misery, and related problems. Remember that only unity, discipline, and compatible ideas will keep the workers strong and united.

For the stability and respect of public employees
For the reinstatement of dismissed workers
Xiomara Itzel Ambulo, secretary general
Uribiades Marin, secretary of press and propaganda
Alfredo Berrocal, minutes secretary
Panama City, 10 April 1991

Arias Calderon on Alleged Espionage Office

PA1604024291 Panama City LA PRENSA in Spanish 15 Apr 91 p 1A

[Report by Elkilia Santos]

[Text] First Vice President Ricardo Arias Calderon has stated that the alleged espionage office reported by Eusebio Marchosky, magistrate of the Directorate for the Recovery of State Property [DRP], has operated at the National Police headquarters since March, and Major Miguel Nieto is the director.

The office, which has operated since the creation of the National Police, has a budget that was implicitly approved by President Guillermo Endara and Comptroller General Ruben Dario Carles, Arias Calderon stated. In addition, all the directors of this organization have been appointed with President Endara's full knowledge and authorization, he said.

DRP Magistrate Eusebio Marchosky recently reported that certain Public Force agents and former G-2 [intelligence] members in Manuel Antonio Noriega's regime were part of an "intelligence" office located in the reverted areas; the mission of this office was to watch politicians and important groups in the country.

The intelligence office, which was reportedly led by former Government and Justice Minister Ricardo Arias Calderon, was—in President Endara's own words—the reason why he mistrusted his government minister and the party he leads, meaning the Christian Democratic Party. That is also why he expelled the party's members from government.

Arias Calderon stated that the office operates under the name "Judicial Investigation Department" (DIJ) and that it has existed since the creation of the National Police under the recommendation of the government's U.S. and Spanish public security advisers. The DIJ was located in reverted Canal Zone buildings between May 1990 and March 1991, and the president was fully aware of this, Arias Calderon reported. Nevertheless, the DIJ's offices were raided and dismantled on 25 March by the Presidency of the Republic's Institutional Security System [SSI], which is led by Carlos Bares. On that occasion Bares said that the Presidency knew nothing about the existence of those offices, where evidence was found proving that the office had engaged in espionage activities.

Shortly before this, President Guillermo Endara had told a group of journalists that his private telephone was being tapped by unidentified persons.

In addition, Arias Calderon said that he had requested President Endara's authorization to install the DIJ offices in the reverted areas. "He (Endara) says he does not remember a thing, and I am sorry that his memory fails him."

He added that there is "no evidence" to prove that the office had "tapped" telephones and that it did not have the authorization or capability to do so.

According to Arias Calderon, the charges against him concerning this office are a "smoke screen." He said that this is proven by the fact that, shortly before his party was excluded from the government, he told Endara that he felt the president mistrusted him, and the president apologized and reassured him of his trust.

There has been no judicial investigation concerning the case and no one has been arrested, which proves that the accusations "are not serious."

Vice President Arias Calderon explained that all the police forces in the world have the DIJ to prevent organized crime, which can only be prevented by obtaining the facts.

He added that he knows nothing about the files that were shown by Magistrate Marchosky, reportedly to prove that the office was spying on important politicians and groups in the country. Arias Calderon said that Marchosky is not authorized to carry out that kind of investigation because he is a person with a recurring political obsession and has recently suffered from one of his "attacks."

Newspaper Reaction to MLAA Signing Noted

PA1204171491

[Editorial Report] In reaction to the signing of the Mutual Legal Assistance Agreement, MLAA, between the United States and Panama on 11 April, four Panama City Spanish-language newspapers on 12 April publish various reports and commentaries.

CRITICA LIBRE on page 12, in a 400-word editorial called "A Treaty To Fight Drug Trafficking," stresses that the agreement "does not include matters related to the imposition, estimation, and collection of taxes," and adds that it was no secret that the Panamanian banking sector and National Bar Association had feared that the agreement would include fiscal crimes which are considered crimes in the United States but not in Panama. The editorial notes that "in many aspects, the MLAA will help improve Panama's deteriorated international image."

LA PRENSA publishes on page 30A a 350-word report on the opinion of Jose Alberto Alvarez, president of the National Bar Association, who "condemned the signing of the MLAA between Panama and the United States because it was carried out 'behind the backs of the Panamanian people' and permits the United States to intervene in this country's internal affairs." He added that the Bar Association hopes that when the agreement is sent to the Legislative Assembly, the main opposition party, the Christian Democratic Party, will harshly fight the agreement "because we know how this agreement was negotiated." Alvarez also called on the Democratic Revolutionary Party to show "its great love for the fatherland" by not voting for the agreement. "The agreement should die in the Legislative Assembly," he stressed.

Further coverage of Alvarez' comments is provided by EL DIARIO INDEPENDIENTE on page 22 in a 200-word report entitled "Linares Did Not Want To Sign the MLAA," which states that the Bar Association president "praised the strength shown by Foreign Minister Julio Linares, who refused to sign a document which he described as 'antinational'." The report concludes: "The signing of the MLAA has unleashed a wave of criticism in some nationalist circles, and last night meetings of unions, civic clubs, and professional organizations were being held to ask the Legislative Assembly to reject what some describe as an agreement even more shameful than the Hay-Bunau Varilla Canal Treaty of 1903."

EL PANAMA AMERICA in its "Pulse of Panama" front-page editorial column states in a 100-word commentary: "It is with true satisfaction that we see the signing of the MLAA between Panama and the United States." It adds that it is further pleased by the fact that the content of the agreement is in keeping with the guidelines on the text which the newspaper had been suggesting for some time.

On page 5A, EL PANAMA AMERICA publishes the regular "Hidden Truths" column by Tomas A. Cabal, who in a 400-word commentary states that with the signing of the agreement, the relations between the two countries are entering a new phase because "for the U.S. Government, the MLAA has been a cornerstone of the foreign policy designed for Panama after the military operation that ousted General Manuel Antonio Noriega." He adds that many observers find it surprising that the United States yielded on the issue of tax evasion after "it exerted all kinds of pressures on Panama" regarding this point. Cabal indicates that economic analysts who have examined the MLAA believe that it will strengthen Panama's image and position as an international banking center. However, he adds, the question is whether lawyers and bankers agree with that evaluation and whether the Legislative Assembly, controlled by the Christian Democrats, will ratify the agreement.

Editorial Criticizes Secrecy of MLAA Talks

PA1204221691 Panama City LA ESTRELLA DE PANAMA in Spanish 10 Apr 91 p A4

[Unattributed editorial: "The Secrecy Surrounding the Mutual Legal Assistance Agreement"]

[Text] After a lengthy period of pressure and negotiations, the governments of the United States and Panama have agreed to sign the Mutual Legal Assistance Agreement [MLAA], which is primarily directed at fighting the laundering of drug money in our country. It has been announced that the signing of the agreement by the governments of the two countries will take place this week. The U.S. Government had demanded the signing of the agreement as a prerequisite for the delivery of a portion of the multimillion-dollar donation granted to Panama to help with the reconstruction of the country. On the Panamanian side, one of the toughest obstacles to a final agreement was always the issue of bank secrecy which, according to the original intent, would be lifted whenever the U.S. authorities deemed it necessary.

To date, all that the Panamanian people know is that some sort of agreement has been reached between the two countries. The effects and consequences that provisions of the agreement may have on the nation are not clearly known. The people are inexplicably in the dark concerning details of the commitments made by the country. Not even the leaders of the country's banking industry, who have strongly opposed the contents of the agreement from the very onset of the U.S. pressure, have disclosed anything about the accord. No details have been provided by members of the National Bar Association, which became the most important opponent of the agreement. The jurists argued that the bilateral agreement was disgraceful and detrimental to national sovereignty.

The secrecy that has surrounded the MLAA triggers justified doubts among Panamanians who love our identity as a nation and our territorial integrity. Our people have not been able to reach the Colossus of the North as a result of the bloody invasion of December 1989. [sentence as published] Nor has the extent and moral force of the pressure that the U.S. Government has been exerting in favor of the bilateral accord become known. All the Panamanian people know is the condition set for disbursement of part of the $420 million donation granted in 1990 for the economic restructuring of the country. Nevertheless, the timidity with which our government has handled those matters concerning the U.S. Government is evident. Compensation has not been claimed for the damage suffered by the country before, during, and after the invasion of our territory. On the contrary; the Panamanian position on this matter has been submissive and extremely passive.

Our rulers have always promised a clear-cut stance in everything that has to do with the nation's vital issues. With regard to the treaty, their actions have not been very clear. To the contrary, secrecy has been the rule, and

this is not good for the sacred interests of a country that has fought for generations in favor of territorial integrity, national sovereignty, and our complete independence. Our history will never forgive those who might be surrendering those achievements amid such great secrecy.

Episcopal Conference Laments Political Situation

PA1304021791 Panama City Circuito RPC Television in Spanish 1732 GMT 12 Apr 91

[Text] In a communique addressed to the Panamanian people, the Panamanian Episcopal Conference Permanent Committee has regretted that its appeals and efforts for national reconciliation have yielded few results.

The committee expressed concern that the country's current political situation could deteriorate and that greater divisions, discord, and probable confrontations between the branches of the government could paralyze the government.

It appealed to government officials and political leaders to work for the good of all citizens, and to seek solutions for the many problems that continue to burden the country. The communique added that the public expects a better future characterized by peace and justice.

Columnist Advises Mature, Responsible Opposition

PA1204222591 Panama City LA PRENSA in Spanish 12 Apr 91 p 30A

[Article from the "In a Few Words" column]

[Text] I heard this quotation (I believe by a French author) from [Ambassador to Venezuela] Diogenes de la Rosa: "The opposition also helps govern the country." We must make an important distinction here.

When a given country is struggling under a dictatorship that does not respond to public pressure and there is not even the slightest chance of being able to change its course through civilized means, the toppling of such a regime is justified. This calls for an all-out war against the regime itself, therefore criticism must be devastating.

This is also the method of antidemocratic movements, particularly when the system is at risk. The Bolsheviks were not interested in correcting the course of the February Revolution or the March Revolution (depending on the calendar used). According to Lenin himself, the revolution turned Russia into the freest nation in the world. The Bolsheviks, however, wanted to eliminate it and replace it with their own brand of absolutism.

Likewise, Hitler was not interested in seeing the parliamentarian regime mend its errors; his goal was to destroy it and impose his own infernal program. He was able to do so because the democratic forces were preoccupied with destroying one another in an effort to establish a common front to face the "revolution of nihilism" (as Herman Rauschning cleverly called it) that would have spared the world from the terrifying tragedy of World War II.

In the struggle against the dictatorship we risked the very existence of Panama. This forced all of us, who in one way or another contributed to this struggle, to be intransigent and implacable.

We knew that there was no chance of reforming the regime; we had to eliminate it. This goal forced numerous heterogeneous forces from various social classes to unite. A common enemy erased all political and social boundaries. For the first time in many years we were one people and we acted as such.

I had hoped that this unity would survive the collapse of the dictatorship and that we would go on to implement the most difficult, but also most important, task of rebuilding the devastated country. I had hoped to see the rebirth of a new and more just society in which even the humblest of citizens would feel responsible for the fate of the fatherland.

I thought that the politicians had learned the lesson of the past 23 years and that they would not repeat the mistakes that led to the nightmare that we had experienced. The mood on the streets could not have been more encouraging. Everyone was willing to work, even for free, in an effort to thrust the country forward. They were only waiting for the rulers' call; a call that never came.

Moreover, the politicians locked themselves in their small world, filled positions with their followers, and failed to realize that all outlets allowing those in power to communicate with the rest of the nation—which were available before 1968—had been shut down by the military. No one bothered to reestablish the process of osmosis that had kept the state alive. The government, which was temporarily within the reach of the people, has again become a cold, abstract symbol.

Let us mend our course. The Christian Democrats could emerge stronger from the current crisis if they manage to avoid falling flat on their faces while playing the new role of an opposition party. They should not lash out vindictively against a democratic regime which they were part of until a few days ago (albeit, one characterized by problems and defects). They must, as the Frenchman had said, "help govern the country," by acting firmly, with political maturity and patriotic responsibility. They must not allow themselves to get involved in quarrels of low intellectual and political quality.

Columnist Derides Latest Government Activities

PA1504193291 Panama City LA PRENSA in Spanish 15 Apr 91 p 28A

[Unattributed "In a Few Words" column]

[Text] **Briefs**

Cocaine is not the only thing being smuggled into Juan Diaz like crazy. It now happens that a rascal of the

previous regime and a rascal of the current regime are introducing tons of Colombian rice, sowing dispair among local rice farmers.

When the new candidate to the post of deputy commerce and industries minister was proposed, the protege [referring to Hernan Delgado, close friend of President Endara], in his protege voice, shouted out: "I veto Nelson Brandoa. I need the post for a partner of mine."

"When I heard you were coming here, I tendered my resignation for health reasons," is the beginning of the first letter Immigration Department Director Tony Dominguez will read when he goes into his office, if he gets there...because wagging tongues say he has yet to move out of the presidential palace.

People who attended a function at the National Theater a few nights ago told me that on the way home, passing through B Avenue, [where the Presidential Palace is located] (but what other way do they use to return home?) they were stoppped by machine gun-toting outlaws who asked them for their indentification papers and thoroughly inspected their cars. These men were dressed in black.

One did not know if they were bank robbers, Dignity Battalion members, or...an elderly Jewish lady friend of mine fainted. She spent all of 1933 in Germany and received the personal attention of the dear Ernst Roehm squads. This lady has a heart condition and the sight of black uniforms in Panama almost frightened her to death.

I ask myself, who gave the order to perpetrate this abuse? Was it Reichsfuhrer Von Solis [Menalco Solis, executive secretary of the Public Security and National Defense Council] or the rotund fuhrer [reference to President Endara] himself? The searched drivers, who had risked their lives to free Panama of the previous outlaws, were furious and ready, if need be, to fight in the streets of Panama to rid it of the climate of fear dished out by the government.

One of the new ministers was a partner of Carlos Duque [presidential candidate of the pro-military National Liberation Coalition in 1989 elections] and a close friend of Fito Duque [nickname of Noriega subordinate Tomas Gabriel Altamirano Duque]. No wonder [Democratic Revolutionary Party, PRD, Deputy] Mario Vangnoni [reference to Mario Rognoni and play on words referring to charges he stole a van] says the glorious PRD (Party of Rejoicing Duques) may form an alliance with the PA [Arnulfista Party] (Petitioners of Advice).

They say the straw that broke the camel's back was a stormy cabinet meeeting, where insurance policies for the state (so far nobody has been able to satisfactorily explain to me why the heck the state needs insurance, other than to enrich the fortunate insurers) was split up between two formidable gluttons (belonging to different, although not too different, parties). One of the ministers vehemently protested this immoral action, not unworthy of the Noriega regime, and things almost came to blows.

The thieves reached the conclusion that with people like that, the situation is hopeless. From that backbreaking intellectual exercise, to the ADOC [Civic Democratic Opposition Alliance] rupture and the cabinet crisis, all it took was one step.

This story has an epilogue. One must be a perfect (intellectual and moral) imbecile to leave a written record of that gangster-like allocation of insurance policies in a letter which, though marked confidential, was read by all the subordinate officials...and their friends. Can someone explain to me why the new cable television company has to pay Visat's former owners $3.3 million? These people had come to own the company solely as the result of electoral fraud (those whose beheading of Hugo Spadafora allowed Vice President Eric Arturo Del Valle to become president are all at the Renacer Jail and in David, and the mastermind of that operation rests in a Miami jail). And to think some say "crime does not pay."

With the new (post-crisis) ambassadors in two key countries, do not be surprised if in a few weeks we wake up simultaneously at war with Spain and the United States. I, like Saddam Husayn, or Alfred E. Newman, will say: "What me, worry?" With Toty [Carlos Bares, Director of the Institutional Protection Service], Menalco, and Vitito [not further identified] heading our glorious SS, what is there to fear?

Journalists Communique Decries Limits on Media

PA1304194191 Panama City EL SIGLO in Spanish 10 Apr 91 p 33

[Communique No. 6 issued by the National Journalists Association in Panama City on 9 April]

[Text] In the face of the latest developments that have taken place in this country, the National Journalists Association (Conape) must raise its voice against the clear and unequivocal events that may adversely affect the media in general, and the journalists in particular.

Conape hereby suspends its participation in the Examining Commission of the Media Law, to which it had been invited by the Government and Justice Ministry in January of this year. This suspension will be effective until the government specifically demonstrates that it is committed to supporting the freedom of expression and the free practice of journalism.

Conape cannot continue to participate in this discussion—after working uninterruptedly in the aforementioned commission for more than three months—because while it is trying to offer better guarantees on the freedom of expression, the Attorney General's Office is continuing with its policy of persecution and intimidation. On several occasions, the Attorney General's Office

has applied Law No. 1 of 1988, also known as the "war law," which was approved during the past military dictatorship.

Trying to jail a journalist without due legal process is not compatible with the alleged democracy in which we live.

Last but not least, Conape feels bewildered over the not very admirable attitude of the first lady of the Republic, who, when waving her hands about as journalists tried to interview her on 8 April, slapped Channel 4 reporter Alvaro Alvarado on the chest. Alvarado is a member of the Conape board of directors.

The actions of the "first lady" and the obscene words that she expressed, which were duly registered in many tapes of the journalists' tape recorders, are actions that should never have occurred.

In the face of all the events taking place, Conape will remain on alert until the executive branch can guarantee that there will no longer be government actions restricting freedom of expression and showing disrespect for journalists.

Given on 9 April, 1991
National Journalists Association
Franklin Bosquez D'Giovanni, president

Argentina

Defense Minister 'Absolutely' Denies Resignation

PY1504144491 Buenos Aires TELAM in Spanish 1415 GMT 15 Apr 91

[Text] Buenos Aires, 15 Apr (TELAM)—Defense Minister Erman Gonzalez today flatly denied reports that he will resign from his post and replace Interior Minister Julio Mera Figueroa

When he was asked at Government House about the report, he stressed, "I absolutely deny it; there is nothing in it."

Prosecutor Charges 15 Officers in Coup Attempt

PY1504162491 Buenos Aires TELAM in Spanish 1439 GMT 15 Apr 91

[Excerpt] Buenos Aires, 15 Apr (TELAM)—Federal Prosecutor Luis Moreno Ocampo today accused 15 officers who were involved in the military uprising of 3 December 1990 with having tried "to carry out a coup d'etat" and of "homicide and attempted homicide."

Moreno Ocampo made the accusation during the opening session of the public hearing in which the federal court is reviewing the sentences handed down by the military courts to the 15 officers, including Colonel Mohamed Ali Seineldin.

[Federal Appeals] Court President Juan Carlos Rodriguez Basavilvaso rejected a petition at the start of proceedings to suspend the public hearing. This petition had been presented by Pedro Bianchi, the attorney defending Colonel Oscar Vega. [passage omitted]

Former Israeli Prime Minister Peres Visits

PY1504153091 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2150 GMT 14 Apr 91

[Excerpt] Buenos Aires, 14 Apr (NA)—Former Israeli Prime Minister Shim'on Peres arrived in Argentina today for a visit. He expressed his satisfaction with his three-day visit to the country, adding that during his upcoming meeting with Argentine President Carlos Menem, Peres will discuss the problems affecting the two countries.

Peres, the leader of the Israeli opposition Labor Party, will also meet with Economy Minister Domingo Cavallo, with Anssal [National Health Administration] President Guerino Andreoni, and with union leaders Armando Cavallieri (trade) and Saul Ubaldini.

Peres will grant a news conference tomorrow at the Israeli Embassy, at which he will explain the Middle East situation following the Persian Gulf war and the development of the Israeli Union Movement.

Arriving in Argentina, Peres said that the new Middle East peace plan proposed by the United States "opens new possibilities," but warned that "the time for finding solutions is running out." [passage omitted]

Bolivia

Government To Investigate Top Antidrug Officers

PY1604024891 Madrid EFE in English 0040 GMT 16 Apr 91

[Text] La Paz, April 15 (EFE)—The Bolivian Government on Monday [15 April] ordered an investigation into all top officers of the special anti-narcotics police squad after a regional police chief hung himself apparently to avoid a probe into his alleged drug links.

"We have seen that [drug gangs] have infiltrated the Special Force for the Fight Against Drug Trafficking (FELCN) and we want to avoid another case," said Assistant Secretary for Social Defense Gonzalo Torrico, referring to the suicide Friday.

Lt. Col. Alberto Ravasa Macagua, police chief in the southern Oruro province, was found hanging by his tie after he was called to testify in La Paz on his alleged links to a ring which smuggled chemicals used for processing cocaine into Bolivia from Chile. Ravasa was believed to have ordered last week a police escort for a truck loaded with contraband sulfuric acid from the Chilean border to the Cochabamba region, where the chemical is used to produce cocaine in clandestine laboratories.

FELCN commander Gen. Elias Gutierrez said Monday, "The drug traffickers have penetrated in all (police) sectors, they are prostituting us, they're hurting us."

Last month former FELCN chief Col. Faustino Eico Toro resigned following U.S. allegations that he had been involved with drug traffickers throughout the 1980s. Former Interior Minister Guillermo Capobianco also stepped down last month after anonymous U.S. officials linked him to drug traffickers in a newspaper report. He categorically denied the charges.

The United States has been demanding that President Jaime Paz Zamora clean up government corruption in order to stem the cocaine trade in Bolivia, which is the world's second-largest grower after Peru of coca leaves, the raw material used to make the drug.

Congressional Delegation Visits Soviet Union

PY1504155891 Madrid EFE in Spanish 1011 GMT 15 Apr 91

[Text] Moscow, 15 Apr (EFE)—The Bolivian congressional delegation headed by Luis Ossio Sanjines, president of Congress and Bolivian vice president, today made contact with the Supreme Soviet of the USSR during the visit by the delegation to this country.

The delegation was received by the president of the chamber of the Supreme Soviet, Ivan Laptev [name as

received], who briefed the Bolivian congressmen on the current political situation in the USSR.

The members of the Bolivian delegation stressed the importance of strengthening inter-parliamentary contacts between the USSR and Bolivia.

Democratic Party Announces Plans To Join MNR

PY1304191291 La Paz EL DIARIO in Spanish 7 Apr 91 p 3

[Summary] On 6 April 1991, Bolivian Democratic Party President Eudoro Galindo Anze announced the party's decision to join with the Nationalist Revolutionary Movement, MNR.

Brazil

Police Break Up CUT-Sponsored Demonstration

PY1504145291 Rio de Janeiro O GLOBO in Portuguese 13 Apr 91 p 4

[Text] Itacoatiara—The uproar caused by demonstrators linked to the United Federation of Workers (CUT) during President Collor's visit to Juazeiro (Ceara State) last week was repeated yesterday in Itacoatiara; this time, by 40 members of the Itacoatiara Trade Union of Lumber Dealers.

With their faces painted half in red and half in white, the CUT demonstrators tried to stage a protest a few minutes before the boat carrying the president docked in the port of Itacoatiara. They were not even seen by the president. A few seconds before the president arrived their banners and signs were destroyed by military policemen. Military policemen punched student Angela Almeida as she was carrying a banner with the slogan: "Be Careful, Cholera Kills."

As military policemen were tearing her banner, Angela screamed:"I am a student; I just want peace."

The banners carried by the demonstrators were in sharp contrast to those carried by advisers of the Regional Development Secretariat. One of their banners read: "Collor, green for hope and red for courage." A banner carried by a demonstrator read: "People are red with hunger," and "Red means death, mourning, and sadness."

Sao Paulo Poll Says 62 Percent Facing Hardship

PY1504164291 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Apr 91 p 1

[Text] Nearly 62 percent of Sao Paulo inhabitants are finding it more difficult to maintain their standard of living and consider that their financial situation has become worse since the Collor 2 plan was introduced.

The poll was called the Sao Paulo Inhabitants and the Collor Government [Os Paulistanos e o Governo Collor] and was carried out on Wednesday [10 April] by Inform-Estado. The results show that 80 percent of those interviewed believe that they have lost purchasing power. Of these, 66 percent have cut their expenditures on food and 35 percent of the low-income population revealed that they have reduced their purchases of basic foodstuffs such as rice and beans.

Some 59 percent of those polled said that they will have to sell some of their personal effects to cope with the crisis. In the opinion of the majority, inflation has not been curbed and the unemployment rate has soared significantly.

Entrepreneurs from the country's most representative regions, who were asked by O ESTADO DE SAO PAULO, have given—on a 0 to 10 scale—an average score of 4.9 to the Collor 2 plan.

Chile

Participation in Gulf Peacekeeping Force Possible

PY1204162191 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 11 Apr 91

[Text] After meeting with Vice President Enrique Krauss, Chilean Ambassador to Jordan Nelson Hadad said that Chile is studying the possibility of participating in the international peace forces that will be established along the demilitarized Iraqi-Kuwaiti border. Hadad informed Krauss about his diplomatic duties in Amman during the Persian Gulf conflict, on the postwar situation in Iraq and the Arab world in general, and on the situation in the Middle East.

During a meeting with journalists, Ambassador Hadad said that these countries are making a great effort to rebuild the areas that were devastated and are seeking an agreement that will lead to the prompt pacification of the region and to security in the region.

Speaking about the possibility that Chile may participate in rebuilding the affected area, Hadad said:

[Begin Hadad recording] Within the framework of its traditional policy, Chile has sent humanitarian aid and there is the possibility that it will participate in the multinational peace forces that will reportedly be deployed along the Iraqi-Kuwait demilitarized border. [end recording]

Hadad also said that Chileans residing in the Persian Gulf region are generally quite well.

Colombia

* Quintin Lame Leader Views Laying Down Arms

91SM0250B Bogota EL ESPECTADOR in Spanish 12 Mar 91 p 2B

[Interview with Ciro Tique, spokesman for Indian group leader Alfonso Pena Chepe, by Diego Chonta; place and date not given]

[Text] Ciro Tique is a rather short but sturdy-looking man with the bronzed skin of the high plain, a man molded by the hardships of life, hardships that turned his footsteps toward the guerrillas over 12 years ago.

Although he is second in command of Quintin Lame, he is perhaps its driving force and intellectual leader. He speaks slowly and softly, but with such conviction that one could more accurately say he preaches. He does not bear arms, but has around him three or four bodyguards who follow him everywhere and do not leave his side for an instant. Whether he likes it or not, they are his security and he has accepted that fact. He is not totally "Indian," but rather, an educated peasant with "golden" eyes, a self-assured bearing, and no need for worn-out leftist rhetoric. The following is the text of our talk:

[EL ESPECTADOR] How did Quintin Lame come into being?

[Tique] It was born at a difficult time for our country, at the height of the dirty war, and since the government had no way out of these situations of violence that were besieging the people's and Indian organizations, the communities in Cauca set up a structure for self-defense, initially, and later as a guerrilla group to show that we were determined to defend our communities.

We are a regional group, but we have also been active in other places when asked to come in by other Indian communities in the country.

[EL ESPECTADOR] You became known with the taking of Santander de Quilichao, along with Ricardo Franco and the M-19 [19 April Movement]. What led you into a war that was not against landowners?

[Tique] Quintin had been in operation since 1978, but as an Indian organization. On Saturday, 10 November 1984, when they killed Father Alvaro Ulcue Chocue in Santander, we understood why we had to take up arms. On 4 January 1985, we attracted attention because of that occupation. After that, the fight was in the town councils.

[EL ESPECTADOR] Why did you choose the name of Quintin Lame instead of Alvaro Ulcue?

[Tique] Without denying Alvaro's importance, the person who took the first steps was Manuel Quintin Lame. We think he is the most important Indian of recent years in Colombia and South America. He laid the foundations for the Indian struggle in our country. He fought for territories, went after deeds, and forced respect for safeguards by organizing communities to fight for rights that existed legally, but that were not recognized by authorities. He succeeded in gaining recognition for the town councils because it had been claimed they should not exist. By 1924, he left these two things established and then went to Tolima, where he continued the struggle. Cauca and Tolima are like the basis of the national Indian movement.

Violence Begets Violence

[EL ESPECTADOR] Did they include other Indian groups outside of Antioquia to form Quintin, or was it proceeding on its own initiative?

[Tique] Yes, it did involve the people of Antioquia. In the beginning, there were disagreements with Guambians and even the (Cauca Regional Indian Council), but in the end, they were settled. For example, we respect the opinion of the Guambians, who never agreed with violence as a method because it begets more violence. They fear this could put an end to the communities, for it would pit one ethnic group against the others, which would be a great blow. We thought, on the contrary, that the communities were preserved by the struggle.

[EL ESPECTADOR] What has Quintin achieved in these seven years of guerrilla struggle?

[Tique] One person might say that everything that has taken place in the Indian struggle in Cauca may never have existed, and another might answer that if we had not existed, more progress would have been made. It is very difficult to measure. We cannot prove to what extent that what has taken place in the different communities is the direct effect of Quintin's work. We think Quintin's presence has served to get back land in Cauca. Today, there are no longer so many disagreements with landowners. Rather, there is talk of coordinated programs.

[EL ESPECTADOR] Whatever the case, that presence meant deaths, even of innocent people, such as that of a steward condemned by Quintin because he could not make his employer come out to be kidnapped by you.

[Tique] We do not use kidnapping as a method to make money. Some groups have used our name in their operations but, logically enough, many mistakes have to have been made. In some cases, we tried to take action, but it is very difficult to solve all the problems of a war. However, if everything were positive, there would not be the new position on weapons.

[EL ESPECTADOR] What did Quintin win by way of arms?

[Tique] Militarily speaking, we gained a different conception of guerrillas, who are not "immersed," as an army is, but rather, linked with their communities and who have therefore assumed more unusual forms. As far as major strikes are concerned, meaning confrontations with the army, one cannot measure Quintin's impact because that was not our purpose.

[EL ESPECTADOR] There is hunger and poverty. Have you achieved the objectives you outlined with its founding?

[Tique] It is not a matter of achieving them. There is still hunger and poverty in the communities, but there are also certain general conditions in the country that call for peace. Violence begets more violence and turns into a

vicious cycle. We cannot say that if this situation is not corrected, we shall continue on because other guerrilla groups have shown that it is good to desist from objective causes. However, the remedy is not the guerrilla method either. Consequently, we see that there is a possibility of transforming the country through the National Constituent Assembly and of ending the biparty system. Whatever the case, we are embarking upon the process with great doubt. We shall soon lay down our arms and our struggle for nothing but, whatever the case, much is at stake in the country.

[EL ESPECTADOR] Why do you say "soon"? What are you going to do?

[Tique] A date has been set for us to lay down our arms, but some things still have to be negotiated. We have asked the government to set up certain development programs based on parameters used to negotiate with other guerrilla groups and costing $300 million to $500 million, but we do not think it is truly a matter of those parameters. Cauca should not accept such parameters because of the group that is demobilizing, but rather, because of the area whose conditions are very propitious for guerrillas. After all, all guerrilla groups have been involved because poverty makes people turn to them. We believe that we should act on these objective causes, even if they cannot be eliminated overnight. However, minimum development plans do remedy something. We are talking of programs costing $3 billion for 14 municipalities where we were active, while the government gives a figure of $500 million!

[EL ESPECTADOR] Is that what the decision to lay down your arms depends on?

[Tique] It is a political decision. Politics is one thing; negotiations another.

[EL ESPECTADOR] What specifically can you tell us?

[Tique] The political decision has been made, but the date on which we shall lay down our arms is still not clear. Alonso Pena Chepe will represent us in the National Constituent Assembly. He would strengthen the Indian presence in the drafting of the new constitution. The only thing we would propose is that the government, under certain special regulations, negotiate with the ELN [Army of National Liberation] and FARC [Revolutionary Armed Forces of Colombia], without these negotiations having to be governed by the laws, so that a situation does not arise wherein an area is cleared in order to negotiate and then the negotiations cannot take place because they violate the laws.

[EL ESPECTADOR] To what extent do you believe in President Gaviria's process of dialogue and his peace policy?

[Tique] There are no total conditions, but this is the best time to achieve it. It is very important, but it is not as open as Belisario's. The plan is to offer dialogue while waging war in practice. On the other hand, that business about the CNG [National Guerrilla Coordinating Group] is similar: to intensify the war in order to achieve more favorable conditions with more results. I think both must change their perspective, pursue peace more openly, and make a proposal in which the other feels cornered politically but not militarily. We support dialogue because it was not possible to sustain the proposal of war.

[EL ESPECTADOR] What will you do after you lay down your arms?

[Tique] Look, that process caught us off guard because we had engaged in talks and made proposals as part of the coordinating committee. They broke the talks off, but we continue to support dialogue. We are trying to put together a political proposal with the EPL [Popular Liberation Army] and the PRT [Revolutionary Workers Party]. This is a period of analysis and that is where we are right now.

Ecuador

Doctors Declare Health Emergency Due to Cholera

PA1604131491 Hamburg DPA in Spanish 1623 GMT 15 Apr 91

[Text] Quito, 15 April (DPA)—The Medical Federation today unilaterally declared a health emergency in Ecuador because of the cholera epidemic that was detected in early March, which the government continues to describe as an "outbreak," claiming that it is "totally under control."

According to the doctors, "things are getting out of hand," and they consider the adoption of "true emergency" measures "urgent and essential" to stop the spread of this disease, now reportedly totalling nearly 5,000 cases resulting in approximately 50 deaths.

The government, which has acknowledged nearly 300 cases and 24 deaths, considers it "unnecessary" to declare a national emergency and has described the reports on the magnitude of the problem "exaggerated and out of proportion."

Several provincial governors are, however, in favor of the emergency, which would release budget resources to fight the epidemic which, since it first appeared in Peru, has been rapidly spreading throughout South America.

Simultaneously, Italo Barragan, WHO representative in Ecuador, has described the measures adopted by the government to fight the spread of cholera as "correct." He said that "the measures taken were those recommended by WHO," and that according to his figures, the number of cases recorded in Ecuador is 1,200. He added that these "would have risen to at least 12,000 if the correct measures had not been taken."

Meanwhile, the epidemic has spread rapidly in Ecuador. Since it first appeared along the Pacific Ocean coast in

regions that border Peru, the cholera epidemic has reached the Andes and the Amazon jungle. Unconfirmed reports refer to new cases detected every day with an ever-increasing number of victims, especially among the poorer sectors of the population.

Paraguay

Morales Wins Colorado Party Mayoral Primaries

PY150412409l Asuncion HOY in Spanish 15 Apr 91 p 2

[Excerpts] Juan Manuel Morales finally won the Colorado Party elections that were held in Asuncion during a day full of incidents. The highlight of these incidents was the resignation of Miguel Angel Pangrazio and Wildo Rienzi from the [Colorado Party] Independent Electoral Court. The great loser was Juan Ernesto Villamayor, who carried out the biggest election campaign to date.

HOY, in coordination with Radio Primero de Marzo and Cerro Cora Sistema Nacional TV Network, offers a review of the 14 April election day.

In the midst of a great lack of organization, members of the Colorado Party on 14 April elected their candidates in 202 municipalities throughout the country, including the capital, where Juan Manuel Morales, of the Traditionalist faction of the party, was elected with a majority of 55 percent, while Juan Ernesto Villamayor obtained 38 percent, and Bernardino Mendez Vall obtained 6.5 percent. The elections were postponed in four towns and two members of the Independent Electoral Court resigned, thus provoking another crisis within the party.

The internal Colorado Party elections of the town counselors and convention delegates who will debate the reform of the party statutes, were also elected as were candidates for mayor were characterized by multiple charges of irregularities in the electoral lists. According to members of the Electoral Court, the lists were 20-percent inaccurate.

A high degree of absenteeism, up to 70 percent in Asuncion and close to that figure in the interior, was noted. The irregularities derived mainly from inaccuracies in the electoral lists and the violation of the Electoral Code. These irregularities caused the postponement of the elections in Ciudad del Este, Carapegua, Hernandarias, and Yvy Ya'u.

The most serious incidents occurred in Ciudad del Este, where a group of supporters of Juan Carlos Barreto violently attacked the place where the elections were taking place, breaking up ballot boxes and beating up several persons. [passage omitted]

Finally, it must be highlighted that while the Colorado Party elections were being held throughout the country, official sources confirmed that the Army had been confined to barracks.

Peru

Export Group Says Coca Brings in $2.4 Billion

PY1404203091 Madrid EFE in English 1637 GMT 14 Apr 91

[Text] Lima, April 14 (EFE)—Drug-trafficking brings in at least 2.4 billion dollars a year to Peru, equivalent to 70 per cent of the country's exports, the president of the Association of Exporters (ADEX) said Sunday. The laundering of the drug money seriously affected the country's exchange system, added ADEX president Gaston Benza.

Peru is the world's biggest producer of coca, the leaf used to make cocaine. Much of the cocaine is processed from the Peruvian raw materials in neighboring Colombia, from where it is sent to the United States and Western Europe.

Some 200,000 Peruvian peasants grow the coca plant, and more than one million people in this impoverished Andean country are believed to be involved in the drug trade.

Reports of GDR Aid to Shining Path Rejected

PY1304010291 Lima RTP Television Network in Spanish 1800 GMT 12 Apr 91

[Text] Foreign Minister Carlos Torres y Torres Lara has expressed his firm rejection of the news disclosed yesterday that the former GDR financed the Shining Path. He said he expects the German Government to send the necessary documents to begin an investigation in our country.

Reportage on President Fujimori's Visit to China

W 1504192491

For Chinese reportage on the visit to the PRC by President Fujimori, see the Latin America & Caribbean section of the 10 April China DAILY REPORT and subsequent issues.

Uruguay

Banks To Update Ways To Stop Money Laundering

PY1604155891 Madrid EFE in Spanish 2242 GMT 14 Apr 91

[Text] Montevideo, 14 Apr (EFE)—It was reported today that as of 15 April the banks—the great majority of which are financed by foreign capital—that operate in Uruguay will have to implement additional controls on the opening of accounts to prevent the "laundering" or "whitewashing" of narco-dollars.

Central Bank President Ramon Diaz sent a circular last week to the banks that operate in the country in which he

warns that "all private individuals and legally established firms must submit detailed information about the main commercial and financial activities of the owners of the accounts."

Financial spokesmen have told EFE that the measures "seek to reinforce current legal rules and regulations that control the illegal origin of capital that comes from abroad."

Decree Law No. 15322 is to be found among these rules and regulations. It indicates that "the secrecy that protects the funds held in current accounts, deposits, and other types of operations can only be lifted via a court decision."

The "laundering" of money that comes from drug trafficking is being studied by Uruguayan authorities following the arrest of Ramon Puente Patino, a Cuban-U.S. citizen in the seaside resort of Punta del Este, the country's main resort. Puente Patino has been identified as Jose Lezcano Patino, who is presumably responsible for the "whitewashing" of several thousand million dollars.

Spain and the United States have already requested Patino's extradition.

The Central Bank president stressed last week during a teleconference with DEA authorities that "it would be absurd to imagine Montevideo as the only center for laundering of "narco dollars", just as it would be absurd to say that the Uruguayan capital is respected by the traffickers and that they do not use it."

Diaz emphasized that Montevideo "is a financial center of some importance," and that clients that do not reside in the country are attracted by three factors: The freedom to bring in and take out funds without interruption for the past 20 years; the right of the depositor to withdraw funds in accordance with the contract; and the legal protection for banking secrecy.

Some banks in Montevideo operate with money from Germany, Argentina, Brazil, Spain, the United States, the Netherlands, Israel, and Italy, among other countries.

Committees Established To Prepare for Mercosur

PY1304031291 Montevideo BUSQUEDA in Spanish 4 Apr 91 p 12

[Summary] On 1 April, the executive branch sent Congress the treaty creating the Common Market of the South (Mercosur), which was signed in Asuncion, Paraguay, on 26 March. Simultaneously, the Council of Ministers ordered the establishment of two committees to prepare the country for the new conditions that will be a result of Mercosur.

One will be the Mercosur Interministerial Committee, which will be made up of the economy and finance minister, the livestock, agriculture, and fishing minister, and the industry and mining minister. This committee will be responsible for "implementation and coordination of the integration process domestically and abroad."

The other will be a sectorial committee for Mercosur, which will be connected to the Planning and Budget Office.

On 2 April, Pablo Garcia Pintos reported the creation of a National Quality Committee, which is in charge of controlling the quality of Uruguayan products.

March Inflation Rate Reported at 5 Percent

PY1304130091 Montevideo BUSQUEDA in Spanish 4 Apr 91 p 18

[Summary] The General Directorate of Statistics and Census has reported that the March inflation rate totaled 5 percent and that the accumulated inflation rate for 1991 now totaled 16.53 percent.

Venezuela

New Foreign Minister Reportedly Appointed

PA1504182091 Caracas Venezolana de Television Canal 8 in Spanish 1600 GMT 15 Apr 91

[Report by Alfredo Alvarez, from "The Opinion" segment]

[Text] I would like to refer to the new appointments that have just been announced at Miraflores Palace. A few minutes ago, our reporter at Miraflores Palace, Diana Iturriza, notified us that Beatricia Rangel has been appointed new minister of the Secretariat of the Presidency. She replaces Armando Duran, who has been appointed foreign minister. They are both very good and dear friends. Congratulations on their appointment. It is evident there has been an automatic rotation within President Perez' cabinet.

Perez Inverviewed on Relations With Spain, U.S.

Comments on Powell Statement

LD1304195791 Madrid Domestic Service in Spanish 1800 GMT 13 Apr 91

[Excerpt] The king and Queen, Don Juan Carlos and Donas Sofia, set off this afternoon for Venezuela, from which they will travel on for official visits to Costa Rica and Nicaragua. [passage omitted] Venezuela was initially to have been a simple stopover on this trip. As we have just heard the foreign minister say, however, it has become a working visit in which the weekend will be employed to examine with the president of the Republic himself, Carlos Andres Perez, how the Spanish projects and investments in that country are going—an analysis which the Venezuelan president previewed to RNE's special correspondent Javier Arenas in an exclusive interview, which we will be offering to you tonight at

2300 [2100 GMT] in "Documentos Uno" and from which we now give some advance excerpts. Good evening, Javier Arenas.

[Arenas] Good evening. Spain played a positive role 500 years ago, Carlos Andres Perez acknowledges, ready now to receive once again the king and queen of a Spain which is in solidarity with Latin America. The treaty signed 10 months ago between our country and Venezuela with important credits for economic development is being put into practice without obstacles and with mutual business confidence.

[Begin Carlos Andres Perez recording] I have the immense satisfaction to inform you that this shows the depth of the relations, and the confidence and the understanding between Spain and Venezuela that the fulfillment of the whole treaty is now practically accomplished [words indistict] the frequency of the visits by groups of Spanish businessmen to Venezuela. Our position now is rather to ask Spain for the possibility of expanding the treaty. [end recording]

[Arenas] The objectives of an economic policy marked by adjustment and reprivatization are being fulfilled, Carlos Andres Perez says, even if in the streets we have been able to see social protest graffiti. In the interview granted to RNE, the president of Venezuela reacts to recent statements from the Pentagon by Colin Powell in which a U.S. military intervention in Central America was not ruled out.

[Begin Andres Perez recording] I must point out the dismay which I felt when I read General Colin Powell's statements in the press, but we do not think that the diplomacy and the relations between Latin America and the United States, which are at present on very good terms, will be interfered with by the voices of the U.S. military. [end recording]

[Arenas] The evolution of the Cuban regime toward a measure of democracy is viewed by Carlos Andres Perez as something he longs for, although without false optimism. In the converation which we shall broadcast tonight, the president of Venezuela does not conceal the sociological interest which he grants to the television super-serials—the serials made here which have invaded European screens.

Views Bilateral Ties, Cuba

LD1404031991 Madrid Domestic Service in Spanish 2103 GMT 13 Apr 91

[Inteview with Venezuelan President Carlos Andres Perez by correspondent Javier Arenas in Caracas; date not given; on the "Documents One" program—recorded]

[Excerpts] [Arenas] Don Carlos Andres Perez, good evening.

[Perez] Good evening.

[Arenas] First of all, thank you for receiving us here at the Miraflores Palace in this conversation for Spanish radio. [passage omitted] At this time and after statements just a few days ago—referring specifically to El Salvador—by a top U.S. military commander, Colin Powell, saying that if, for example, the peace talks in that country are not successful they would be prepared for some kind of military inervention, how do you see the peace processes in Central America wanted by everyone?

[Perez] First of all, I must point to the dismay I felt when I read General Colin Powell's statements in the press, which have a greater significance because he has been the chief of a war operation which has grieved us all, but with which, regrettably, we had to be in solidarity, since the circumstances justified it, distressingly. We do not think, however, that the diplomacy and the relations between Latin America and the United States, which are now on very good terms, will be interfered with by the voice of the U.S. military. I know for certain what President Bush's position is because I generally talk about it with him by telephone, in addition to the talks I have had, and he is sincerely interested in a peaceful and satisfactory solution in El Salvador. We are on the eve of very important agreements to put an end to the war in El Salvador.

[Arenas] You say that the king of Spain is considered here as a real instigator of democracy and peace processes. After this trip, after visiting Nicaragua for the first time, only one nation of this Iberian American continent will remain for him to tread, Cuba. After the longer conversations—which took place with yourself as a witness and host in Brasilia in March last year—between President Fidel Castro and the Spanish head of government, Felipe Gonzalez, I imagine that you have had the opportunity—you do so with a certain regularity—to talk again with Fidel Castro. What is the status of Cuban process?

[Perez] I would say that I am not pessimistic, but neither can I yet see clearly how this full incorporation of Cuba into the experiences and realities of our region might occur. I have always been concerned about them seeking to show signs of taking advantage of a circumstance, such as the one Cuba is living through right now, because of the disappearance of its main support, which was the socialist world, and about them seeking to drive it into a corner. I would not venture to say one word more, because I wish to respect greatly what may happen or is happening there. Furthermore, I have not only the wish but also the confidence that the intelligence of the Cuban leadership will know how to understand that these times require new definitions, without renouncing anything and without reneging on everything.

[Arenas] When the prime minister, Felipe Gonzalez, visited a year ago, foundations were laid for a treaty which was subsequently signed on 7 June 1990. How is the treaty developing? Also, in the economic sphere, what is the level of mutual confidence between Spanish and Venezuelan businessmen?

[Perez] I can tell you that I am pleased to inform you, and this shows the depth of the relations and the confidence and the understanding between Spain and Venezuela, that the fulfilment of the entire treaty is now practically accomplished, and that, despite the fact that there are other treaties, more or less similar, signed by Spain with other nations of the region prior to us, Venezuela is going to be the one which will succeed most because we have made very dynamic efforts and have reached an extraordinary understanding. That is already a reality. In addition, we already note the frequency of the visits by groups of Spanish businessmen to Venezuela. Our position now is, rather, to ask Spain about the possibility of expanding the treaty.

[Arenas] [passage omitted] Carlos Andres Perez, president of the Republic of Venezuela, thank you for visiting our microphones.

[Perez] Best wishes to all my Spanish compatriots.

Spain's Fernandez-Ordonez Optimistic About Trade

LD1604045391 Madrid Domestic Service in Spanish 1900 GMT 15 Apr 91

[Text] Bilateral relations between Spain and Venezuela are good at the moment, according to what King Juan Carlos and Queen Sofia have been able to see during their official visit to this country. At the moment, they are hosting a gala luncheon at the residence of the Spanish ambassador to Caracas for President Carlos Andres Perez. Our special correspondent, Javier Arenas, reports:

[Arenas] The building of two ships for Venezuela in Spanish shipyards and the construction of a large tourist center on the Caribbean island of Margarita, promoted by and with investment from the Spanish National Organization for the Blind [ONCE] are two of the most ambitious projects in bilateral relations, which are at a very positive point. Of the treaties of cooperation signed with Mexico, Chile, Argentina, and Venezuela, it is with the last that there is the greatest degree of application. This has just been confirmed by Foreign Minister Francisco Fernandez-Ordonez:

[Begin Fernandez-Ordonez recording] Spanish and Venezuelan businessmen are working very actively on the aims of this agreement, hence, there is the impression that it is probably going to be one of the most quickly fulfilled agreements. Then we will have to reexamine it. Our economic relations consist of around $400 million in bilateral trade. The climate we have seen in this connection is very positive. [end recording]

* Planning Minister on 1991 Economic Projections

91SM0251A Caracas NUMERO in Spanish 17 Mar 91 pp 22-25

[Interview with Coordination and Planning Minister Miguel Rodriguez by Yadira Calderon; place and date not given: "Cordiplan's Super Accounts"]

[Text] President Carlos Andres Perez is relying on the defiant stance of his minister of coordination and planning (whom some regard as a super minister), Miguel Rodriguez, for the survival of his economic program, which has come under heavy social and political pressure. Millions of bolivares worth of investments are being handled by that office. Rodriguez does not feel that the adjustment program (the vaunted package) is over; on the contrary, it faces the most difficult stage, the achievement of structural changes. It is at a crucial and critical juncture, poised between success and failure.

The ultimate changes will not be possible, says Rodriguez, if all sectors do not become involved. "President Perez did not propose the adjustment program because he is in a popularity or beauty contest, but because he is really striving to put the economy back on its feet." Nevertheless, it must be acknowledged that a very high price has been paid. Despite the optimism of the Office of Coordination and Planning (Cordiplan), one thing is clear: If structural reform of the economy does not take place, the package's fate will be sealed.

[Calderon] Cordiplan calculates that there will be no budget deficit in 1991, while others contend that there will be one.

[Rodriguez] For 1990 we projected a deficit of 2 percent of the gross domestic product (GDP), which is a perfectly manageable deficit that has no macroeconomic or inflationary effects and could be financed in part by foreign sources. We also forecast a significant surplus in the current account of the balance of payments. Then came the Persian Gulf crisis, which provided Venezuela with some $3.2 billion in additional revenues. This, in turn, translated into about 100 billion bolivares in fiscal revenues, which turned the projected deficit of 2 percent of the GDP into a surplus of 1 percent of the GDP.

[Calderon] What is the projection for 1991?

[Rodriguez] We have a petroleum parameter of $19 a barrel and average exports of 1.9 million barrels per day. Our investment plan is very representative, including 250 billion bolivares for Venezuelan Petroleum and the major infrastructure investments of the government. With all that we would be looking at a surplus of more than 1 percent of the GDP. These are the only figures that we are considering at the level of the consolidated public sector. So there is no budget deficit. A budget deficit was what Luis Herrera Campins had in 1982 in the middle of the oil boom, when the deficit reached 6 percent of the GDP with oil selling for $30 a barrel. So there is no reason for people to get all excited as they did at the beginning of the year, knowing that we have made a drastic fiscal adjustment.

[Calderon] And what if oil remains below $19 a barrel?

[Rodriguez] We must bear in mind the exchange parameter. When we submitted the budget in October 1990, we estimated the exchange rate conservatively at 50 bolivares to the dollar; today it is already at 54. Although it

should be made clear here that we are not using the exchange rate for fiscal purposes. The country should know how the government utilizes exchange policy. It utilizes exchange policy to keep the real exchange rate at a competitive level. If the country has an inflation rate of 25 percent and it is 10 percent abroad, we must make an adjustment to make up for the 15-percent difference. We estimate the exchange rate in relation to a basket of currencies, not just against the dollar.

[Calderon] Projections call for oil to stay below $19.

[Rodriguez] That is true. And that is why we have the Macroeconomic Stabilization Fund, which provides the necessary resources, being an anticyclical fund. At present it has about $1.2 billion (approximately 70 billion bolivares). The point is that if the revenue situation becomes very serious, we will take steps to cut spending.

[Calderon] And that would not compromise the economic reactivation process?

[Rodriguez] Not at all. The reactivation is guaranteed because its financing is isolated from oil income. The investment plan is financed with foreign resources from the World Bank, the Inter-American Development Bank (IDB), and Japan's Eximbank [Export Import Bank]. As for the petroleum situation, it should stabilize in the medium term, and we estimate that the price will range between $17 and $19. There is no reason to expect that it will reach a critical level. The Venezuelan economy will remain heavily dependent on oil, but much less vulnerable.

[Calderon] And how do you intend to accomplish that?

[Rodriguez] We have designed a model to strengthen nontraditional exports, and a tax reform program that will not make any significant contribution to the Treasury in 1991, but will lay the groundwork for revenues to begin coming in from taxpayers by 1992, just as in any normal economy.

[Calderon] How are negotiations going with the IMF?

[Rodriguez] The program we have with the IMF is totally guaranteed. Today we have international reserves of $12 billion and operating reserves of $7 billion. And it should be noted that the program with the IMF is especially designed to strengthen the external sector. On the other hand, the loans for specific projects extended by the World Bank and the IDB are very positive for the country. And I should say that the conditions imposed by these organizations, which are so highly criticized, are actually healthy rather than detrimental, because the success of the project is monitored.

[Calderon] Has the international private banking sector resumed the flow of fresh money?

[Rodriguez] We are not contracting new loans with international private banks at the rate we did in years past. Private commercial banks do have a share in the bilateral credits that are being negotiated with the Paris Club. What we are most interested in—and in this area the banks will participate wholeheartedly—are the specific projects, primarily in the private sector, without the idiotic practice of offering special exchange guarantees as in the past. For example, all of the financing of the megaprojects in the petrochemical sector will come from international private banks.

[Calderon] What is the projection of outlays?

[Rodriguez] The foreign debt service should be around $1.3 billion this year. We expect a surplus of $3 billion in the curent account, with a very strong surge in imports, approximately $10 billion. To be sure, imports will not be the $14 billion they were in 1982 or the $13 billion of 1988, backed by letters of credit at 14.50 bolivares to the dollar. Now we are presented with an opportunity to make things right within a context of sustained growth.

[Calderon] What formula are you applying to achieve sustained growth in Venezuela, something that has never been seen before?

[Rodriguez] All the variables must be taken into consideration: exchange rate, balance of payments, public spending, exports, etc. In that way, the expansion that is put into the accelerator does not fizzle in two years, as happened in the 1986-88 period. The former president of Peru, Alan Garcia, also saw his growth sputter after a year and a half. We are applying pragmatic measures, as is being done in many Latin American countries. For example, the economic team that is working with the democratic government of Patricio Aylwin in Chile has continued the previous policies, but with a more social touch, of course.

[Calderon] These adjustment policies have a very high social cost. Right now there is a great deal of discontent in Venezuela, especially in the working class. How do you plan to assuage that discontent, also taking into account the fact that elections are on the horizon?

[Rodriguez] We cannot promise results overnight. The adjustment involves a blow to real income, which will gradually recover as the growth rates we have projected come into play. Now, in the short term, the problems cannot be concealed. That is reflected in the social and political discontent. Ronald Reagan did it in the United States in 1981. The unemployment rate rose to 15 percent, and there were major political protests. But by the third year the economy began to grow and Reagan was reelected. In the case of Spain, Felipe Gonzalez made the sharp adjustment during the first two years. Nearly all the unions called strikes, but in the end the economy grew and Gonzalez has been reelected three times. There is no doubt that all adjustment processes produce great economic discontent. In Venezuela, however, there has been a rapid response; the economy has already begun to grow, something that took six years in Mexico.

[Calderon] The economic program of which you are in charge has been criticized for lacking a social program. What plans do you have?

[Rodriguez] The government is criticized on the social question, but the fact is that no government has ever established a social network here in Venezuela. We have concrete programs in the health, highway, and transportation sectors, and most specifically in services. One thing that causes political attrition for a government is the poor functioning of public services. We can have the economy growing at 8 percent in the next two years, and people will feel that they have more money in their pockets, but if the quality of services continues to deteriorate, people will be more upset. If we do not deal with the problem of services, we will not have obtained the results we are promoting.

[Calderon] What is your view of the wage increase that is being proposed?

[Rodriguez] My personal opinion is that we have already reached a stage in the economic process in which the desirable thing is for wage hikes to be a product of the labor market. I say this without any intention of offending the Confederation of Venezuelan Workers (CTV) or anyone. If you look at the history of Venezuela in the last 30 years, the only wage increase by decree that led to a real wage increase was the one approved in 1974. In the following years real income fell, and the years when it fell the most were the years when there were increases by decree, due to the inflationary impact that is unleashed rather than the cost structure of businesses. You can raise wages by decree every year if you want, but that will not translate into an increase in the real income of workers. The government is analyzing the CTV's proposal, however, because we must recognize that there are some absolutely valid reasons in the wage proposal.

[Box p 23]

Concocting Privatization: Priority to Services

Some say privatization is moving very slowly. There are still no concrete cases in Venezuela. Miguel Rodriguez points out that Chile began a long time ago, and Mexico has been pursuing this policy for eight years now.

"When the Government of Venezuela began talking about privatization in February 1989, everyone protested. Now the situation is different, and the idea of privatization is being accepted."

Rodriguez adds that the legal foundation of the process must be very carefully constructed in order to avoid a resounding failure. "We are not ideologues of privatization, nor is the economic program neoliberal, as some people say; the measures that are being applied are simply pragmatic."

[Calderon] Do you think the investment capacity of the state as entrepreneur has been exhausted?

[Rodriguez] There are simply things that have no business being under state control. For example, look at services such as telephones. There are people who say that it runs counter to Democratic Action, and I assure them that it does not run counter to Democratic Action. The greatest privatizers have been Mitterrand, Felipe Gonzalez, the Swedish socialists, Betino Craxi in Italy. It has been the international social democrats. Now we have carried out certain privatizations, quote unquote, that people are not aware of because they did not involve the sale of shares by the state. For example, there was the channel for cellular telephones, which had been reserved for the state and now will be carried out by a large private firm from the United States. There is no doubt that cellular telephones are the phones of the future, and wires will fall into disuse in the field of telecommunications.

[Calderon] And what about the basic sectors?

[Rodriguez] There has always been this idea in Venezuela that sectors such as aluminum and petrochemicals have to be confined to the area of state investment. In fact, now they will be developed by the private sector. In petrochemicals, 30 percent will correspond to Venezuelan Petroleum, Inc. (PDVSA), and the rest to the private sector, especially international firms. In aluminum, 85 percent will be private and 15 percent will correspond to the Venezuelan Corporation of Guayana (CVG).

[Calderon] What sectors will be given priority for privatization?

[Rodriguez] Without a doubt the service sector, where demand will be on the rise because of the momentum of the economic expansion.

Gross Domestic Product
Percentage Growth

1987	3.6
1988	5.8
1989	- 8.3
1990	4.4
1991	8.0 (projected)

Source: Cordiplan

Budget Deficit 1986-1991
Percentage of GDP

1986	- 8.0
1987	- 4.0
1988	- 8.6
1989	- 1.1
1990	0.8
1991	1.2 (projected)

Source: Cordiplan

Consumer Price Index Percentage Growth	
1987	28.1
1988	29.5
1989	84.5
1990	36.5
1991	25.0 (projected)

Source: Cordiplan

Current Account of Balance of Payments Billions of U.S. Dollars	
1986	- 2.245
1987	- 1.39
1988	- 5.809
1989	2.496
1990	7.397
1991	3.080 (projected)

Source: Cordiplan

Trends in Non-Traditional Exports 1985-1991 Billions of U.S. Dollars	
1985	1.374
1986	1.373
1987	1.398
1988	1.867
1989	2.944
1990	3.347
1991	3.800 (projected)

Source: Cordiplan

* Cordiplan Economist Views Short-Term Outlook

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[Interview with Marcos Morales, director of short-term planning in the Coordination and Planning Ministry, by Alfredo Carquez; place and date not given: "No Problem"]

[Text] The Operational Plan that the Office of Coordination and Planning (Cordiplan) submits each year is somewhat behind schedule. This document contains schedules and guidelines for the actions of the national public administration. Not only are spending amounts and agendas set forth for sectors such as the social sector, but also projections are made in an effort to predict the state of official accounts by the end of the year.

There is also a discussion of the coveted inflationless growth and of sources of external financing, which are supposed to involve approximately $1 billion in 1991.

Marcos Morales, director of short-term planning at Cordiplan, did not want to go into details on this matter until Minister Rodriguez officially releases the information.

Neither was he reticent, because optimism is in fashion at this office. "Yes, it is true. There is about 3 or 4 billion in the current account of the balance of payments that comes from Husayn. But the rest, the other 3 billion, comes from our own effort."

Morales is anxious to illustrate his point: "The macroeconomic results show us that it is clear that there has been a consolidation of the goals that were set in 1989."

"So far the indicators tell us that in real terms, the exchange rate has remained stable. We have not suffered the stampedes that have taken place in Peru, Brazil, and Argentina. Of course, the value of the dollar has to rise because otherwise we lose competitiveness. But there has been no devaluation beyond the difference between domestic and foreign inflation. This proves that the policy of fluctuating exchange rates and interest rates is adjusting the currency market."

[Carquez] Could that development be linked to the fact that we are in a recession? Does this mean that consumption and therefore imports should be kept to reasonable levels?

[Morales] There was no recessive period in 1990; there was expansion. The economy grew at 4.4 percent. And for the future, all possible imports are assured of foreign financing. The decline in imports can also be attributed to the fact that there has been no inventory buildup. When there was uncertainty about the supply of foreign exchange, that strategy was necessary, but it no longer is.

The economist points out some innovations in the 1991 Operational Plan. For example, responsibilities will be clearly defined. In addition, there will be bimonthly evaluations to see how each phase is progressing. Moreover, a differentiation will be made between public investment by the state and the government contribution of funds to decentralized agencies [los recursos del situado constitucional]. Another "novel" idea is the inclusion of a "detailed" program for the farm sector.

"Since the adjustment, the external sector has outperformed expectations. Compared to $2.946 billion in 1989, in 1990 we achieved a surplus of $7.4 billion in the current account. For 1991 we project a current account of $3 billion. It is much less, of course, because this year there will be strong growth in imports."

[Carquez] I see that you are very optimistic with regard to nontraditional exports, but they have been on the decline since early last year. Will this depend on the response of the private sector?

[Morales] We are not waiting for the entire private sector to respond. It is not like in the past, when a locomotive was started up and everyone hitched onto it. This is a selective industrialization strategy. Here we will invest and the growth will occur in those activities, at least in

the area of goods suitable for barter, where there are competitive advantages. We cannot go back to promoting the indiscriminate growth of industry, or of any other sector. There will be strong growth in aluminum, petrochemicals, tourism, in certain agricultural subsectors. But some of them can actually be expected to fall behind. There are investment projects such as that of the Sivensa Group, where nearly 100 percent of the production in its plant that produces metal pellets is intended for export. In the chemical and petrochemical sectors, there has been mixed investment, especially in the area of inputs for plastics production. The Venezuelan Petrochemical Institute alone invested 26 billion bolivares last year.

[Carquez] But in spite of all the changes that may have taken place, this year we are going back to major fiscal spending, specifically to pull the private sector....

[Morales] I do not have the slightest doubt that private investment in 1990 was much higher than in 1989. This year it will be astronomically greater.

[Carquez] What is the estimate?

[Morales] We do not know. But we say that it will be astronomically greater because of the megaprojects. Aluminum alone will account for nearly $5 billion; all of it private investment. On the other hand, in the petrochemical industry there is another $4 billion or $5 billion. Transnationals and national capitalist groups are getting involved there. Foreign investors have great opportunities to do business in our country. Trade missions are constantly arriving, seeking local partners to work with.

[Carquez] Will the Venezuelan economy be able to absorb all these investments that have been announced, along with the expansion of fiscal spending?

[Morales] Inflation cannot be higher than it was last year. But it may be higher than initial expectations. Our first estimates were for a rate below 15 percent. But it will be very difficult to keep it at that. There may be demand pressures that have a short-term effect on prices. But it is very difficult to have price pressures on goods suitable for barter. Any increase above international values, plus the tariff and the exchange rate, could be dealt with through imports. There is a buffer so that local producers do not get carried away. It is worth noting that there is a high degree of idle capacity. Inflation could take off if the government did not have financing for all the spending that will take place. But it does. We have it either through regular income or through special income thanks to loans from multilateral organizations. Each outlay is offset.

We think that inflation will end up being approximately 25 percent for 1991, which is lower than the rate recorded in 1987.

Guyana

Administrative, Labor Problems Delay Census

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[Text] Georgetown, Guyana, April 14, CANA—Guyana's national population census, scheduled to start Monday, has been delayed because of the late arrival of two vital documents, which are being printed in the United States. The Guyana Statistical Bureau said that the visitation records and questionnaires are yet to arrive in Guyana. This could delay the start of the census until Wednesday, the bureau said. The last census was conducted in 1980.

Another problem facing the bureau is its inability to attract the required amount of enumerators, coordinators, and supervisors needed to properly conduct the exercise. The bureau blamed this on the current electoral registration exercise, which has taken away the needed manpower.

Some 2,000 enumerators and supervisors are needed. Training programmes mounted for coordinators have already been completed and similar programmes for enumerators are scheduled to be completed Friday. The bureau stressed that the census and registration exercise are entirely different and not remotely connected to each other.